

Consumer Independence Day sales pip pre-coronavirus levels



STORY OUTLINE

- Sales for food and grocery retailers up 5-10% YoY during the period
- Onam sales in Kerala have also improved, after a washout in 2020
- Retailers and malls say spending in apparel, lifestyle products and entertainment is back

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Sales of consumer electronics, smartphones, apparel and groceries in the almost week-long shopping period leading up to Independence Day were higher than in the corresponding pre-Covid-19 period of 2019, said executives of several leading retailers and brands.

This was the first time sales of several apparel and food and grocery retail chains topped those in the pre-Covid period, they said.

India's largest retailer, **Reliance** [NSE 0.82%](#) Retail, saw 20-30% higher sales than in 2019 in electronics, smartphones and even apparel while grocery sales grew in single digit during the period, executives aware of the matter said on condition of anonymity.

Electronics and smartphone retail chains such as Tata Group-owned **Croma**, Vijay Sales, Sangeetha Mobiles and Great Eastern Retail saw 10-30% higher sales than in 2019, said the executives.

In the case of electronics, this was the second time after last year's festive season that sales surpassed those in the pre-Covid period.

The Independence Day shopping period is traditionally one of the largest shopping periods after the festive season.

"Since this was the first event after the second Covid-19 wave lockdown, manufacturers and retailers went gung-ho on promotions, marketing and advertising spending to set the tone for the festive season, and the results were highly encouraging," said Deepak Bansal, vice president (corporate planning), **LG Electronics India**.

The largest white goods maker in the country, **LG India** saw a 25% year-on-year increase in sales during the period.

'Improvement Visible on a Weekly Basis'

For electronics and smartphones, there was a huge pent-up demand last year in June and July, before the growth rate slowed a bit in August and September and picked up again in the festive season.

But this year, sales have improved on a weekly basis, said industry executives. Onam sales in Kerala have also improved, after a washout in 2020, they said.

"Going by the trajectory in August and Onam sales, we expect to close the month with 40-50% growth over last year," said Godrej Appliances business head Kamal Nandi.

Food and grocery retailers such as Reliance Fresh, Reliance Smart, Spencer's Retail and Nature's Basket saw 5-10% year-on-year increase in sales during the period, said industry executives.

The overall fast-moving **consumer goods** (FMCG) sector saw 10% year-on-year sales growth from August 1-15, according to Bizom, which tracks the sales of 7.5 million retail stores across the country.

FMCG Cos Line up Offers

"The FMCG industry has been leveraging Independence Day as a celebratory festival to shore up consumption with great offers across kiranas and modern trade to entice consumers. This has resulted in much higher consumption of FMCG products year-on-year across categories driven by strong growth in discretionary products," said Akshay D'Souza, chief of growth and insights at **Mobisy Technologies**, which owns Bizom.

For instance, confectionery expanded 57% and personal care grew 25%. Even beverages had a stronger year with 29% growth despite limited out of home consumption, as per Bizom data.

Retailers and malls said spending is coming in apparel, lifestyle products and entertainment – categories which were the worst-affected since the Covid-19 outbreak.

The CEO of Delhi's Select Citywalk mall, Yogeshwar Sharma, said there was a 300% jump in sales over the Independence Day weekend compared to last year and that the sales almost touched the 2019 level. "This is a clear indicator that things are getting normal in retail despite several restrictions. We hope footfall will surge even further with multiplex releasing good content this Friday," he said.

Puma India managing director Abhishek Ganguly said sales have returned back to pre-Covid levels and with the opening of Mumbai malls, the recovery will further gain pace.

The chief executive of a leading multinational apparel firm, who did not wish to be identified, said sales were definitely better than last year and even the pre-second wave period, signalling complete recovery. "However, Mumbai was an aberration since malls reopened on 15th August with riders such as mandatory full vaccinated staff and consumers, among other hurdles," he said.

